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World Production and Trade

United States
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Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

Despite earlier reports of shipping delays and port congestion, ARGENTINA shipped a record 2.3 million tons of grain and oilseeds in March, about 200,000 tons above last season's record. Argentine new crop corn, sorghum and soybeans began to move into export channels in March, competing for handling capacity with large wheat shipments. However, Argentine corn shipments in March also were a record.

Barring labor difficulties, Argentina is not expected to have any unusual problems in exporting coarse grain this season. Heavy wheat movement in December-February and overall lower wheat export availabilities are expected to result in a significantly lower quantity of wheat moving April-June, freeing capacity to handle heavy coarse grain shipments.

SRI LANKA's 1984 rice crop is forecast at 2.236 million tons (rough basis), down 3 percent from last year's record crop, according to the U.S. agricultural counselor in New Delhi. Total 1984 rice area is expected to total 878,000 hectares, up 4 percent from last year's 845,000 hectares and up 10 percent from the 800,000 hectares harvested in 1982. Yields are expected to average about 2.55 tons per hectare, 9 percent below last year. With the continued adoption of higher yielding varieties, however, longer term yields for rice are expected to continue the upward trend.

Rice production in Sri Lanka falls into two different seasons: The Maha crop planted in October and November and harvested in February and March of the following year, and the Yala crop planted in April and May and harvested in August and September of the same year. Normally the Maha crop comprises about two-thirds of total rice production and the Yala crop the remaining one-third.

This season's Maha crop was beset by erratic weather patterns. Heavy rains in mid-December of last year, which followed an extended drought, re-filled irrigation water supplies and brightened prospects for the 1984 Maha crop. However, rains returned prior to and during the early harvest period, damaging a substantial part of the crop. Output from the 1984 Maha crop is estimated at about 1.568 million tons, down 13 percent from last season's 1.794-million-ton output.

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The Yala rice crop, on the other hand, is expected to benefit from ample irrigation water supplies. It is forecast at 668,000 tons, up 30 percent from last season's drought-reduced crop.

OILSEEDS AND PRODUCTS

MEXICO has entered into an agreement with the Argentine Grain Board to purchase a minimum of 1.0 million tons of grain and oilseeds annually. Wheat, corn, sorghum, soybeans and sunflowerseed are included in the agreement. The wheat, corn and sunflowerseed already purchased by Mexico will count toward meeting the first year's commitment.

The BANCO DO BRASIL's Foreign Trade Department (CACEX) has lifted restrictions on soybean meal exports for shipment before the end of June; however, restrictions on soybean and soybean oil exports, at 60 percent of last year's level, remain in place.

In the UNITED STATES, the U.S. soybean export estimate has been raised by 408,000 tons due to the lower Brazilian crop and continuing foreign crush requirements to meet soybean oil needs. Because of disappointing demand for soybean meal both domestically and overseas, the U.S. soybean crush estimate has been lowered by 272,000 tons. U.S. domestic soybean meal consumption has been reduced by 91,000 tons and the soybean meal export estimate has been reduced by 272,000 tons. Tight U.S. supplies and reduced crush are expected to limit U.S. soybean oil use. Season average prices for soybeans remain unchanged, while the soybean oil price estimate was raised by 2 cents per pound. The soybean meal price forecast was lowered by \$10 per short ton, however.

DAIRY, LIVESTOCK AND POULTRY

Pork production in SINGAPORE is forecast to be 61,000 tons in 1984, the same as in 1983. While there was a steady growth in production for several years, production has leveled off largely as a result of Singapore's environmental protection laws. Laws require that during 1984 all pig farms submit plans to install waste treatment plants by 1986. However, recent government statements suggest that all pig farms may be required to cease operations because installing waste treatment units is not financially feasible and land and water resources are needed for other uses. In any case, the longer term outlook is for a sharp drop in Singapore's pork production and an increase in pork imports.

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PORTUGAL's cattle numbers, estimated at 835,000 head the beginning of 1984, are sharply below year-earlier levels according to the U.S. agricultural counselor in Lisbon. Faced with high costs and weak demand, producers culled heavily during 1982 and 1983, resulting in a 5-percent decline in 1982 and 16 percent in 1983. During 1983, beef and veal production was slightly above the 1982 level. However, with lower numbers at the start of the year, production in 1984 is expected to total only 88,000 tons, down nearly 25 percent. And unless the economics of production improve, more herd reductions are likely during 1984.

TOBACCO

ECUADOR's cigarette production in 1983 is estimated at 249 million packs, up 4 percent from a year earlier. Blond filters account for 87 percent of production, black tobacco cigarettes for 10 percent and blond non-filter for the remaining 3 percent. It is estimated that approximately 1 percent of consumption comes from clandestine imports, while about 6 percent of the country's production is considered border sales that leave the country as contra-band exports. As a result of the almost yearly price increases decreed by the government, the consumption trend is toward lower priced domestic brands and away from higher priced international brands.

According to the JAPAN Tobacco and Salt Public Corporation (JTS), Japanese cigarette sales for February 1984 were up 2.6 percent to 22.2 billion pieces. For the January-February period, cigarette sales were up 1.1 percent to 43.6 billion pieces. Domestic cigarettes, which represent 97.86 percent of sales, were up 0.7 percent. Imported cigarettes increased 22.2 percent to 931 million pieces. U.S. cigarettes accounted for 97 percent of total imported cigarettes.

The SOVIET UNION's 1983 cigarette and papirosy (cigarettes with built-in holders) production totaled 369 billion pieces, 9.7 billion pieces above 1982. In 1984, the plan is for manufacture of 382 billion cigarettes and papirosy.

FRUITS AND NUTS

MEXICO's 1983/84 strawberry crop currently is estimated at 92,521 tons, 14 percent greater than the 1982/83 harvest. Favorable export prices during the 1982/83 season, due to the devaluation of the peso, prompted farmers to increase plantings. As a result, total harvested area expanded 10 percent--from 3,834 hectares in 1982/83 to an estimated 4,203 hectares. Excessive rains during late 1983 lowered yields in Guanajuato, which accounts for nearly 29 percent of annual output. However, favorable growing conditions and the use of high-quality imported sets in the major producing state of Michoacan increased the average yield from 21.25 tons per hectare in 1982/83 to 22 tons per hectare in 1983/84. The quality of this season's crop, for fresh consumption or export, appears very good with a projected 28 percent classified grade "A" (24.0 percent in 1982/83); 48 percent grade "B" (41.8 percent); and only 23 percent grade "C" (34.2 percent).

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Mexico's 1984 production of frozen strawberries is forecast at 76,900 tons, up 10 percent from last year and more than double the 1982 level. Most of the Mexican pack is destined for export, mainly to the United States and Canada. Data are as follows:

Mexico: Strawberry Area and Production

	Harvested Area (Hectares)	Production (Tons)
1979/80	5,200	82,900
1980/81	4,400	77,00
1981/82	3,900	63,700
1982/83	3,834	81,490
1983/84 1/	4,203	92,521

1/ Preliminary.

Output of fresh pineapple by the WORLD's commercial producers is expected to rebound to 4,193,800 tons in 1984, a 6-percent increase over the 1983 volume, but still the second lowest outturn since 1976. Drought during the 1983 season in Thailand and the Philippines sharply lowered fresh output. Prospects for more normal crops in both countries appear likely during the 1984 season given the return to normal weather conditions and stronger farm-gate prices.

Taiwan's pineapple industry began to decline in the late 1970s. When the canned pineapple export market began to disintegrate in 1980, farmers sharply cut back planted area. As a result, pineapple production dropped to an estimated 126,000 tons in 1983, the lowest level since 1957. Domestic demand for fresh pineapple boosted grower prices toward the end of the 1982 season and farmers responded by planting additional area. Production in 1984 is thus expected to rebound to 165,000 tons, sufficient to meet domestic requirements and supply marginal amounts to the ailing canning industry.

Prospects for Australia's 1984 pineapple crop appear better than the drought-damaged 1983 harvest, even though the summer crop currently being harvested has been somewhat reduced in both size and quality due to dry autumn weather in 1983. The forthcoming 1984 winter crop is expected to be of average size and good quality, reflecting plentiful rainfall and additional plantings during late 1981 and 1982.

The 1983 drought in South Africa reduced pineapple production 15 percent from 1982. Continuing drought conditions in the Eastern Cape, where pineapple production is localized, has dampened prospects for a bumper 1984 crop. However, due to the continuing high demand for pineapple, planted area has steadily increased. Current indications are that the 1984 volume will be marginally larger than the 1983 crop, with a high sugar content but smaller than normal sizes.

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Total pineapple production in the Ivory Coast dropped off sharply in 1982 and 1983. Pineapple cultivated for fresh market sale to Europe has been strictly supervised by the government to insure quality standards are maintained. Consequently, output in this sector has steadily increased. In contrast, pineapple grown for industrial purposes has fallen sharply due to sagging world demand for processed products, low producer prices and rising production costs. An upturn in production of fresh pineapple for export is forecast for 1984. No growth is currently expected in production for processing or production for the domestic market.

Pineapple production in Malaysia is expected to decline for the second consecutive year. Although supported by extension services and a wide range of input subsidies, the smallholder sector of the industry continues to decline in area, output and number of participants. Extensive rehabilitation of estates owned by the private canneries have improved output and yields, but not enough to offset the expected shortfall in the smallholder sector during the 1984 season.

Pineapple production in Mexico has declined significantly since 1979 due to reduced plantings, tight credit and non-remunerative prices. However, peso devaluations have kept export sales of both fresh and processed pineapple profitable over the past two seasons. Farmers responded by increasing 1984 plantings, which should lead to increased production during the 1985 season.

The 1984 pineapple crop in the United States is expected to be marginally below the short 1983 harvest. The Hawaiian industry is undergoing significant changes, such as eliminating certain processing operations in favor of fresh market sales. At the present time, it is difficult to gauge the full impact on production over the next several years.

Fresh Pineapple: Commercial Production
(1,000 Tons)

Country	1980	1981	1982	1983	1984
Australia	123.3	123.4	125.5	111.3	130.0
Ivory coast	303.0	306.7	233.4	200.8	220.0
Malaysia	176.1	153.6	188.3	183.4	180.8
Mexico	604.6	550.0	440.0	250.0	200.0
Philippines	901.0	891.0	889.0	800.0	884.0
South Africa	221.9	242.7	244.1	208.4	219.0
Taiwan	228.8	181.0	144.9	126.0	165.0
Thailand	1,673.0	1,824.1	1,439.3	1,537.0	1,650.0
United States	596.0	577.0	607.8	548.8	545.0
Total	4,827.7	4,849.5	4,312.3	3,965.7	4,193.8

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WOOD AND WOOD PRODUCTS

In the SOVIET UNION, the U.S. agricultural attache in Moscow reports that Soviet wood and wood products production in 1984 is projected to be 373.4 million cubic meters, 4.6 percent above the estimated 1983 level. Production estimates are as follows in 1,000 cubic meters:

Soviet Wood and Wood Products Production

	1980	1981	1982	1983 1/	1984
Total wood	356,640	358,244	355,917	357,000	373,402 2/
Lumber	98,199	98,108	97,510	98,500	110,179 3/
Paper	5,288	5,399	5,439	5,500	6,065 4/
Plywood	2,022	2,035	2,015	2,100	2,297 5/
Chipboard	5,118	5,390	5,583	5,700	5,724 6/
Fiberboard 7/	469	482	469	500	517 8/

1/ Estimate. 2/ Target set at 4.7 percent above 1980 output. 3/ Target set at 12.2 percent above 1980 output. 4/ Target set at 14.7 percent above 1980 output. 5/ Target set at 275,000 cubic meters above 1980 output. 6/ Target set at 606,000 cubic meters above 1980 output. 7/ Million square meters. 8/ Target set at 48 million square meters above 1980 output.

Other target production figures included furniture and prefabricated housing at 20.6 and 27.1 percent, respectively, of the 1980 levels. Wood chip production is projected to increase by 2.9 million cubic meters in 1984. A number of factors could prevent attaining these production targets, including labor problems, under utilization of timber harvesting machinery and repeated shortages of spare parts.

The Soviet Minister of the Timber, Pulp and Wood Working Industry has reported an increase in utilization of sawmill byproducts, including slabs and sawdust for producing other wood products. Waste material utilization during 1980-83 accounted for over 200 million cubic meters (84 billion board feet lumber equivalent) of wood products.

SAUDI ARABIA has an estimated 762,474 hectares of exploitable forest in the southwest sector, according to a study sponsored by the National Centre for Science and Technology. The region contains approximately 18.6 million cubic meters of timber. Under a 20-year proposed utilization project, the area could produce 558,000 tons of wood annually, representing 5 percent of the timber resource. The project could account for nearly 12 percent of the local wood market demand by 1985.

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In FINLAND, the forest products industry, including pulp and paper, accounted for over 36 percent of the country's \$7.95 billion in exports in 1983. Exports of roundwood, lumber, plywood, wood-based panels and a variety of miscellaneous wood products totaled \$1.24 billion in 1983, a 5.2-percent increase in solid wood exports above 1982 shipments.

The United Kingdom, USSR, West Germany, France and the Netherlands accounted for 19.5, 14.7, 13.6, 7.1 and 4.5 percent, respectively, of Finland's 1983 wood product exports. The European Community was the largest regional market, taking 55.3 percent of Finland's wood exports. Other regional markets included Eastern Europe (16.2 percent), EFTA (8 percent), Asia (7.2 percent) and Africa (4.8 percent). Lumber and plywood products accounted for nearly 80 percent of solid wood shipments in 1983.

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Selected International Prices

Item	: April 17, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5% 9/	N.Q.	--	204.00
U.S. No. 2 DNS/NS: 14% 9/	184.50	5.04	185.50
U.S. No. 2 S.R.W.....	N.Q.	--	158.00
U.S. No. 3 H.A.D..9/.....	190.00	5.17	188.00
Canadian No. 1 A: Durum..9/	203.00	5.52	204.00
Feed grains:			
U.S. No. 3 Yellow Corn....	162.00	4.12	146.50
Soybeans and meal:			
U.S. No. 2 Yellow.....	309.00	8.41	248.75
Brazil 47/48% SoyaPellets	219.00	--	224.00
U.S. 44% Soybean Meal.....	214.50	--	216.50
U.S. FARM PRICES 3/			
Wheat.....	134.10	3.65	138.14
Barley.....	102.42	2.23	81.29
Corn.....	131.49	3.34	117.71
Sorghum.....	111.55	5.06	108.46
Broilers 4/.....	1244.71	--	955.91
EC IMPORT LEVIES			
Wheat 5/.....	72.80	1.98	101.10
Barley.....	72.80	1.59	97.15
Corn.....	52.30	1.33	76.95
Sorghum.....	78.70	2.00	73.30
Broilers 4/ 6/ 8/.....	172.00	--	306.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	185.80	5.06	185.60
Bread wheat (min. quality)7/	202.00	5.50	203.55
Barley and all			
other feed grains.....	185.80	--	185.60
Broilers 4/ 6/.....	1209.00	--	1132.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	N.A.	--	62.85
Barley.....	43.10	.94	77.05
Broilers 4/ 6/ 8/.....	135.00	--	206.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category—70 percent whole chicken. 5/ Reflects lower EC export subsidy—down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects exchange rate change and not level set by EC. 9/ June-July shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis May delivery.